



State of Washington

AFFORDABLE HOUSING ADVISORY BOARD

1011 Plum Street SE - PO Box 42525 - Olympia, Washington 98504-2525 - (360) 725-4000

Heyward Watson
Board Chair

Sam Anderson
Residential Construction Industry

Michael Richart
Residential Construction Industry

Christine Walsh Rogers
Mortgage Lending Industry

Lynette Hoffman
Mortgage Lending Industry

Wanda Coats
Real Estate Sales Profession

Connie Devaney
Apartment Management & Operation Industry

Paul Purcell
For-Profit Housing Development

Kevin Grossman
For-Profit Rental Housing

Tony To
Non-Profit Housing Development

Chris Lowell
Homeless Shelter Operations

Vacant
Special Needs Populations

Joe Ingram
Low Income Housing

Pedro Perez
At-Large/General Public

Tom Tierney
Public Housing Authorities

Obie O'Brien
Counties, Eastern WA

Hon. David Gossett
Counties, Western WA

Mike Adolfae
Cities, Eastern WA

Hon. Joan Hernandez
Cities, Western WA

Toni Johnson on behalf of Christine Olson
Ex-Officio, Dept. of Social & Human Services

Kim Herman
Ex-Officio, Housing Finance Commission

Dan McConnon
Ex-Officio, Dept. of Commerce

BOARD MEETING SUMMARY

Thursday, March 31, 2011 10am to 1pm

Tacoma-Pierce County Association of REALTORS® –Tacoma, WA

ATTENDANCE

Heyward Watson, Dan McConnon, Paul Purcell, Tony To, Wanda Coats, Obie O'Brien, Joe Ingram, Sam Anderson, Kevin Grossman, Dave Gossett, Connie Devaney, Lynette Hoffman, Christine Walsh Rogers, and Tom Tierney.

STAFF

Ken Olson and Cherish Rahikainen.

INTRODUCTIONS AND CONFIRMATION OF AGENDA

Heyward Watson

Heyward summarized the agenda.

REPORT FROM THE CHAIR

Heyward recently attended the 30th Anniversary of the Local Initiatives Support Corporation (LISC) in Washington, DC. Affordable Housing leaders from across the nation stressed that due to the current economy, we need to continue work at the community level and build up.

COMMERCE UPDATE

Dan McConnon introduced Ken Olson, Housing Trust Fund Program Specialist with the Department of Commerce. Ken will attend regular quarterly meetings and assist the Board with submitting our upcoming 2010 Progress Report and special projects. He is stationed in Spokane, WA.

- Legislative Update
 - Operating Budget
 - Unsure of when the budget will be released.
 - Capital Budget
 - Won't be released until the Operating Budget is.
 - Housing Trust Fund budget news looks relatively optimistic. Commerce asked for \$150M. The Governor put \$40.8M in her budget. The House may put even more aside.
 - Commerce staff has been busy providing housing information to the Senate Ways & Means Committee. He also expressed his appreciation for the Washington Low Income Housing Alliance and other housing advocacy groups for their hard work this session.
 - Housing Trust Fund administrative bill (1699) made its way through the House, Ways & Means Committee, and is now sitting in Rules in the Senate. It had one minor technical change but has had no 'Nay' votes thus far. Biggest fear is that this bill gets lost in the legislature.



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- *Home Security Fund*
 - There are several active bills relating to the Home Security Fund, which is collected by mortgage document recording fees that support our homeless programs as well as part of the HTF Maintenance & Operations. Funds are in serious trouble because of decrease in mortgages.
 - These bills attempt to make the fund whole. One is still alive (HB 1768) which removes sunset from 2013, but is going to stall. This afternoon or tomorrow a new bill will be introduced which takes the sunset and extends it to 2017, adding \$10 fee per loan. It would not only make the fund whole, but part of the increase will fund privately-based vouchers. Landlords Association and other private groups are working with housing advocates and have reached agreement on the fund source. This could be a potential resolution between bankers and auditors.
 - The State does not put any General Fund State dollars into homelessness.
 - HB 1768 does have exemption for small, locally-owned banks.
- *Foreclosure Bill*
 - Representative Orwell's Foreclosure Bill passed March 29, 2011. Headed in for signature.
 - Creates funnel for consumers to go through that is designed to get those facing foreclosure:
 - Extends meet and confer requirements of current law
 - Offers counseling through Housing Finance Commission and their network
 - Network counselors or any attorney who is a member of the Bar can request mediation on behalf of their client
 - Lengthens the window where consumers have additional time to get mortgage issues resolved
 - Funded with a fee that the banks will pay (\$250/notice of foreclosure). Small institution exemptions. Banks agreed to work backwards one quarter to fund program start-up. Once the Governor signs, we should see a check by the end of April.
 - The Department of Commerce will administer the bill.

LEGISLATIVE COMMITTEE UPDATE

- Paul Purcell just returned from a dual Housing Authority/National Low Income Housing Alliance Conference in Washington, DC. He met with Sen. Murray and Sen. Cantwell, Rep. Doc Hastings, Rep. Jaime Herrera, and staff of Rep. Jay Inslee, Rep. Dave Richart and Rep. Jim McDermott.
 - 50/50 chance of Federal government shutdown.
 - H.R.1 is the starting place of the House. \$66B in cuts out of 12% of the overall budget. This is a large chunk out of a small percentage of programs. Senate says it is unacceptable. H.R.1 is devastating to housing; cutting most of new production programs by 2/3, eliminates home ownership counseling, and eliminates NSP Round 3 Program.
 - David Walker spoke on what needs to happen to defense, social security, Medicare and Medicaid to address the structural budget issue.



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- The 'Gang of Six' is formed of bipartisan senators who are making an attempt to form adult discussion about the deficit.
- HUD is making proposals in the President's budget that are not helpful towards Housing Authorities (sweeping \$1 Billion of reserves). Push to operate more business-like.
- No funding in sight for the National Housing Trust Fund, which has been authorized for three years. Trying to tie to Administrations' proposal to re-structure Fannie Mae and Freddy Mac and the new entity that comes out of that reform.
- HUD does not have a significant rural/small community development program. Self -help and capital programs are at risk.

2010 PROGRESS REPORT

- Ken Olson is taking the lead on updating AHAB's 2010 Progress Report. This report is due each February 1st, as outlined in [RCW 43.185B.040](#).
- The 94 strategies in AHAB's 2010-2015 Housing Advisory Plan have been broken down into the following categories:
 - Timeline: Long-term, Mid-term, Short-term, or Continuous.
 - Who is responsible: AHAB, AHAB/Legislative, Commerce, City/County, or Other.
- Cherish will send the document to the Board this afternoon with instructions. Your comments and progress updates are due back to Ken no later than **Friday, April 15th**. Please work with your subcommittee members, if applicable. Ken will circulate the draft report for review and approval before submitting to OFM and the Governor's Office by the end of April 2011.

BY-LAW DISCUSSION

Membership Reinstatement and Attendance

- The Board has a Special Needs Representative vacancy to fill. Cherish is working with the Governor's Office on the application process.
- Heyward reiterated that each appointed AHAB official represents an important voice that needs to be heard. Attendance at regular quarterly Board meetings is essential. Cherish is now tracking attendance in accordance with Article V of AHAB's By-Laws.

Vice Chair

- In accordance with Article III of AHAB's By-Laws, Tom Tierney was nominated by the Board as Vice Chair serving a two-year term. No other nominees.
- Heyward Watson, Tom Tierney and Paul Purcell shall constitute the Board's Executive Committee.

By-Law Updates

- Motion: Moved by Obie O'Brien suggesting an update to Article VI, Parliamentary Authority language from "The Board shall normally operate by consensus," to "The Board **shall** normally operate by consensus."

Motion seconded and passed.

- Ayes: 13
- Nays: 0
- Abstain: 0



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- Motion: Moved by Heyward Watson suggesting an update of all references of “The Department of Community, Trade and Economic Development” be changed to “The Department of *Commerce*” in accordance with [EHB 2242](#).

Motion seconded and passed.

- Ayes: 13
- Nays: 0
- Abstain: 0

- Motion: Moved by Wanda Coats suggesting an update to Article V, Meetings of the Board and Committees, Meeting Attendance Section 2 language from “The unexcused absence of a Board member from three consecutive regular Board meetings shall result in a request by the Chair to the Office of the Governor that a replacement be designated,” to “The unexcused absence of a Board member from *two* consecutive regular Board meetings shall result in a request by the Chair to the Office of the Governor that a replacement be designated.”

Motion seconded and passed.

- Ayes: 12
- Nays: 1
- Abstain: 0
 - If you are unable to attend a Quarterly Board meeting due to an emergency or prior obligation, please inform [Cherish Rahikainen](#) or [Heyward Watson](#) so that your absence can be considered excused.
 - If a Board member has two consecutive unexcused absences, Heyward will write a letter to the Board member with a cc to their organization or employer, requesting a response within two weeks on whether or not they would like to continue to serve. If the board member chooses not to continue their membership or Heyward does not receive a response, we will notify the Governor’s Office and move forward with filling the vacancy.

SUBCOMMITTEE REPORTS

PAT - Policy Advisory Team

- PAT met in January and in early March. Recommended that the Department be prepared with the \$200 million in proposals. Department narrowed down proposals that would be invited back in the event that there was a Trust Fund.
- Seeing a great deal of coordination throughout counties, cities, WSHFC and public funders who have all prepared their allocation processes.
- Waiting on budget.

SACH - State Advisory Council on Homelessness

- Three legislative proposals:
 - SACH strongly recommends the Governor and legislature invest in the Washington State Housing Trust fund to the maximum extent possible in this biennium budget, in order to
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make our residents and communities healthier while creating jobs and increasing tax revenues.

- SACH strongly recommends that, in making cuts to social support systems, the Governor and legislature keep intact as much as possible social support systems like TANF, Disability Lifeline and Basic Health.
- SACH strongly recommends that in creating the consolidated award program, Commerce is flexible with how funds are special between transitional and permanent housing, according to the need of the client.

OTHER GENERAL REPORTS

- Dan McConnon shared a PowerPoint on Stage One Applications.

ROUNDTABLE DISCUSSION

- The Board agreed that updates and information sharing on affordable housing should be circulated outside regular quarterly meetings (via e-mail, etc). That way, meetings will focus on moving forward on action items rather than getting up-to-speed on the past three months.
- Cherish will send out quarterly meeting dates for the remainder of 2011.

Future items:

- **Prioritizing Work Plan Strategies**

MEETING ADJOURNED 12:35PM

Next Meeting: May 26, 2011 10am-1pm at the Federal Way City Hall, Patrick Marr Conference Room, 33325 8th Ave South Federal Way, WA 98003